

Message Text

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SUBJECT: SOVIET INDUSTRIAL PRODUCTION UP 5.2 FOR

JANUARY-APRIL 1978

REF: (A) MOSCOW 8225, (B) MOSCOW 7894, (C) MOSCOW 5312

SUMMARY: APRIL STATISTICS SHOW SOVIET OVERALL INDUSTRIAL PRODUCTION IN FIRST FOUR MONTHS OF 1978 IS UP 5.2 PERCENT OVER 1977. GAS CONTINUED TO BE THE BRIGHT SPOT IN THE SOVIET ENERGY PICTURE, BUT COAL OUTPUT REMAINED BELOW THE 1977 LEVEL. OUTPUT OF ELECTRICITY WAS RELATIVELY LOW IN APRIL, AND THE OUTPUT OF OIL (46.5 MILLION TONS IN APRIL) SUGGESTS THE SOVIETS WILL NEED A STRONG FINAL EIGHT MONTHS TO HIT THE TARGETED 575 TONS. ON THE MORE POSITIVE SIDE, INDUSTRIAL MINISTRIES AND ALL UNION REPUBLICS MET OR EXCEEDED PLAN TARGETS, AND SEVERAL

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(FERROUS METALLURGY, AUTOMOBILE AND GAS WERE COMPLIMENTED FOR THEIR PERFORMANCE BY EKONOMICHESKAYA GAZETA (EKGAZ), THE WEEKLY ECONOMIC ORGAN OF THE CP CENTRAL COMMITTEE. END SUMMARY.

1. IN THE KEY ENERGY AREA, PRODUCTION OF GAS REACHED 123 BILLION CUBIC METERS, EIGHT PERCENT OVER 1977'S

RESPECTABLE OUTPUT. ON THE OTHER HAND, THE PRODUCTION OF 184 MILLION TONS OF OIL REPRESENTS ONLY FOUR PERCENT OVER 1977, A PROJECTION WHICH IF CONTINUED WOULD COME OUT SHORT OF THE ANNUAL 575 MILLION TON TARGET. COAL CONTINUES TO LAG, WITH ONLY 245 MILLION METRIC TONS MINED, AND THE COAL MINISTRY'S LABOR PRODUCTIVITY STANDS AT ONLY 98 OF THE COMPARABLE 1977 PERIOD. ELECTRICITY ALSO SUFFERED A SETBACK OF SORTS, WITH ONLY 96 BILLION KILOWATT HOURS PRODUCED IN APRIL COMPARED TO A MONTHLY AVERAGE OF 107 IN THE FIRST THREE MONTHS OF THE YEAR.

2. OVERALL INDUSTRIAL PRODUCTION GREW 5.2 PERCENT COMPARED WITH THE SAME PERIOD IN 1977. PRODUCTIVITY OF LABOR INCREASED BY 3.8. INDUSTRY AS A WHOLE EXCEEDED THE GROWTH RATE TARGET FOR INDUSTRIAL PRODUCTION SOLD (REALIZATION OF PRODUCTION) BY ONE PERCENTAGE POINT. THE FOLLOWING INDUSTRIES FULFILLED OR OVERFULFILLED THEIR PLANS FOR PRODUCTION SOLD, (FIGURES IN BRACKETS INDICATE 1978 AS A PERCENTAGE OF 1977): PETROLEUM PROCESSING AND PETRO-CHEMICAL INDUSTRY 101 (105); GAS INDUSTRY (104) 108; FERROUS METALLURGY, 100.8 (103); ENERGY MACHINE-BUILDING 102 (106); CHEMICAL AND PETROLEUM MACHINE-BUILDING 101 (106). KEY INDUSTRIAL BRANCHES REGISTERED THE FOLLOWING PERCENTAGE CHANGES VIS-A-VIS 1977: FERROUS METAL ROLLING (UP 3); METAL CUTTING LATHES (NO CHANGE); BLAST FURNACES AND ROLLING EQUIPMENT (DOWN .1 PERCENTAGE POINT); LIMITED OFFICIAL USE

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SULPHURIC ACID WHICH HAD BEEN BELOW PLAN FOR THE FIRST THREE MONTHS (REFTELS) (UP 11); MINERAL FERTILIZERS (UP 5); ELECTRIC LOCOMOTIVES (UP 4).

3. EKGZ COMPLIMENTS SEVERAL INDUSTRIES FOR THEIR PERFORMANCE: THE GAS INDUSTRY, WHICH PRODUCED 1.5 BILLION CUBIC METERS OF GAS MORE THAN PLAN; THE CHEMICAL INDUSTRY, WHICH PRODUCED 80 THOUSAND TONS OF MINERAL FERTILIZERS ABOVE PLAN; THE AUTOMOBILE INDUSTRY, WHICH IN THE FIRST FOUR MONTHS OF 1978 PRODUCED 4.8 THOUSAND OF THE 6.9 THOUSAND AUTOMOBILES THAT IT IS OBLIGATED TO PRODUCE ABOVE PLAN FOR 1978; AND THE FERROUS METALLURGY INDUSTRY, WHICH SUCCESSFULLY ACHIEVED THE PLAN FOR THE FIRST FOUR MONTHS FOR THE PRODUCTION OF IRON, STEEL FINISHED ROLLED PRODUCTS, AND PIPES, IN COMPARISON TO LAST YEAR WHEN IT DID NOT DO SO.

4. EKGZ LEVELS FEW CRITICISMS AT THE PERFORMANCE OF INDUSTRIES IN THE FIRST FOUR MONTHS. ITS MAJOR CRITICISM IS FOR THE FAILURE OF INDUSTRIES TO MEET DELIVERY CONTRACTS, AND MENTIONS THAT 60 PERCENT OF THE ENTERPRISES OF THE ELECTRO-TECHNICAL INDUSTRY, AND 50 PERCENT OF THE

ENTERPRISES OF THE CONSTRUCTION, ROAD, AND MUNICIPAL
MACHINE BUILDING INDUSTRY FAILED TO MEET SUCH CONTRACTS.
IT ALSO CRITICIZES THE MINISTRY OF LIGHT INDUSTRY,
WHICH IT STATES, DID NOT SECURE THE FULFILLMENT OF
OBLIGATIONS TO PRODUCE ABOVE PLAN. IT MENTIONS THAT ONLY
4 MILLION SQUARE METERS OF CLOTH, WHICH IT PROMISED TO
PRODUCE ABOVE PLAN FOR THE YEAR WERE PRODUCED IN THE FIRST
FOUR MONTHS, MAKING THE YEAR TARGET OF 18.5 MILLION SQUARE
METERS APPARENTLY DIFFICULT TO ACHIEVE. MATLOCK

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